

AMENDED IN SENATE JUNE 15, 2015

AMENDED IN ASSEMBLY APRIL 8, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 780**

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**Introduced by Assembly Member Williams**  
**(Principal coauthor: Assembly Member Cooper)**

February 25, 2015

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An act to amend Section 25500.1 of, *and to repeal Section 25502.1 of*, the Business and Professions Code, relating to alcoholic beverages.

### LEGISLATIVE COUNSEL'S DIGEST

AB 780, as amended, Williams. Alcoholic beverages: tied-house restrictions: on-sale retailers advertising.

The Alcoholic Beverage Control Act generally prohibits a manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, importer, or wholesaler from furnishing or lending money or other thing of value to a person engaged in operating, owning, or maintaining an on-sale licensed premises. The act provides that the listing of the names, addresses, telephone numbers, email addresses, Internet Web site addresses, or other electronic media, of 2 or more unaffiliated on-sale retailers selling beer, wine, or distilled spirits, ~~as specified~~, *spirits of a nonretail industry member, as defined*, in response to a direct inquiry from a consumer, as specified, does not constitute a thing of value or prohibited inducement, ~~if specified~~ *certain* conditions are met. The act includes among those conditions the requirement that the listing not refer to only one on-sale retailer or only to on-sale retail establishments controlled by the same retailer. *The act creates a parallel exception from the*

*general prohibition on furnishing or lending money or things of value for off-sale retailers, except that it does not reference other electronic media.*

This bill would broaden the exception *for on-sale retailers* described above by removing the requirement that the listing be in response to a direct ~~inquiry, as specified~~ *inquiry and would include within the definition of a nonretail industry member brandy manufacturers and rectifiers*. The bill would also permit the listing of contact information *pursuant to these provisions* for off-sale ~~retailers and would~~ *retailers*, make conforming changes to reflect this ~~inclusion~~ *inclusion*, and delete *provisions that would be redundant regarding off-sale retailers, as described above*.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 25500.1 of the Business and Professions
- 2 Code is amended to read:
- 3 25500.1. (a) The listing of the names, addresses, telephone
- 4 numbers, email addresses, or Internet Web site addresses, or other
- 5 electronic media, of two or more unaffiliated on-sale or off-sale
- 6 retailers selling beer, wine, or distilled spirits produced, distributed,
- 7 or imported by a nonretail industry member does not constitute a
- 8 thing of value or prohibited inducement to the listed on-sale or
- 9 off-sale retailer, provided all of the following conditions are met:
- 10 (1) The listing does not also contain the retail price of the
- 11 product.
- 12 (2) The listing is the only reference to the on-sale or off-sale
- 13 retailers in the direct communication.
- 14 (3) The listing does not refer only to one on-sale or off-sale
- 15 retailer or only to on-sale or off-sale retail establishments controlled
- 16 directly or indirectly by the same retailer.
- 17 (4) The listing is made, or produced, or paid for, exclusively by
- 18 the nonretail industry member.
- 19 (b) For the purposes of this section, “nonretail industry member”
- 20 is defined as a manufacturer, including, but not limited to, a beer
- 21 manufacturer, winegrower, *brandy manufacturer, rectifier*, or
- 22 distiller of alcoholic beverages or an agent of that entity, or a

1 wholesaler, regardless of any other licenses held directly or  
2 indirectly by that person.

3 (c) *The Legislature finds that it is necessary and proper to*  
4 *require a separation among manufacturing interests, wholesale*  
5 *interests, and retail interests in the production and distribution of*  
6 *alcoholic beverages in order to prevent suppliers from dominating*  
7 *local markets through vertical integration and to prevent excessive*  
8 *sales of alcoholic beverages produced by overly aggressive*  
9 *marketing techniques. The Legislature further finds that the*  
10 *exceptions established by this section to the general prohibition*  
11 *against tied interests shall be limited to their express terms so as*  
12 *not to undermine the general prohibition, and intends that this*  
13 *section be construed accordingly.*

14 SEC. 2. *Section 25502.1 of the Business and Professions Code*  
15 *is repealed.*

16 ~~25502.1. (a) Notwithstanding Section 25502, the listing of the~~  
17 ~~names, addresses, telephone numbers, e-mail addresses, or Internet~~  
18 ~~Web site addresses, of two or more unaffiliated off-sale retailers~~  
19 ~~selling the products produced, distributed or imported by a nonretail~~  
20 ~~industry member in response to a direct inquiry from a consumer~~  
21 ~~received by telephone, by mail, by electronic inquiry or in person~~  
22 ~~does not constitute a thing of value or prohibited inducement to~~  
23 ~~the listed off-sale retailer, provided all of the following conditions~~  
24 ~~are met:~~

25 ~~(1) The listing does not also contain the retail price of the~~  
26 ~~product.~~

27 ~~(2) The listing is the only reference to the off-sale retailers in~~  
28 ~~the direct communication.~~

29 ~~(3) The listing does not refer only to one off-sale retailer or only~~  
30 ~~to off-sale retail establishments controlled directly or indirectly~~  
31 ~~by the same off-sale retailer.~~

32 ~~(4) The listing is made by, or produced by, or paid for,~~  
33 ~~exclusively by the nonretail industry member making the response.~~

34 ~~(b) For the purposes of this section, "nonretail industry member"~~  
35 ~~is defined as a manufacturer, including, but not limited to, a beer~~  
36 ~~manufacturer, winegrower, or distiller of alcoholic beverages, or~~  
37 ~~an agent of those entities, or a wholesaler, regardless of any other~~  
38 ~~licenses held directly or indirectly by that person.~~